

# HAWAII ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Hawaii is the proud home of the Honolulu Clean Cities Coalition.

## ***Overview***

Hawaii's main incentive for alternative fuel vehicles (AFVs) is income tax deductions, identical to the Federal income tax deductions, for the installation of clean fuel vehicles and refueling property. Propane used as a vehicle fuel is taxed at a lower rate than gasoline.

## ***Highlights***

\$ \$2,000 to \$50,000 state income tax deductions for the installation of clean fuel vehicles

## ***State Incentives***

\$ The state provides income tax deductions, identical to the Federal income tax deductions, for the installation of clean fuel refueling property provided in the Energy Policy Act (EPACT). For additional information, contact Maria Tome at the Hawaii State Energy Office at (808) 587-3809.

## ***Utility/Private Incentives***

**The Gas Company, Inc.** offers technical assistance, training materials, construction assistance for refueling facilities, and vehicle conversions for liquefied petroleum gas (LPG) vehicles. For additional information, contact Brad Saito at (808) 594-5584.

**Oahu Gas Company** performs conversions for LPG vehicles and operates several public LPG refueling stations on the island of Oahu. For more information, call Richard Frandsen at (808) 682-5796.

## ***Laws & Regulations***

In 1994, a law was passed requiring specified gasolines sold in Hawaii to contain 10% ethanol by volume. Which gasolines will be subject to the requirement (all, certain grades of gasoline, or certain percentages) will be determined in a rulemaking process in 1996. Exemptions will be allowed in the event that "competitively priced" ethanol is not available.

Administrative Directive 94-06 requires 25% of the motor vehicles acquired by the state in model year 1998 to be AFVs.

Propane receives a special fuel tax rate of 2/3 of diesel, rounded to the nearest cent. Currently, this tax is 11¢/gallon. The diesel fuel tax is 16¢/gallon.

Gasoline blended with 10% by volume of biomass-derived alcohol sold in the state is exempt from the 4% sales tax. At current rates, the value of the exemption is approximately 30¢ to 50¢ per gallon of ethanol.

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### *Points of Contact*

#### **Honolulu Clean Cities Coordinator**

Ross Sasamura (808) 523-4171  
City and County of Honolulu

#### **Hawaii State Energy Office**

Maria Tome (808) 587-3809

#### **The Gas Company, Inc.**

Brad Saito (808) 594-5584

#### **Oahu Gas Company**

Richard Frandsen (808) 682-5796

#### **Hawaii State Transportation Contact**

Department of Transportation, Highways Division  
Julie Tsumoto (808) 587-1845

#### **U.S. Department of Energy**

##### **Regional Support Offices**

San Francisco Regional Support Office  
Lionel Vera (510) 637-1945  
Clara Chun (510) 637-1943

#### Seattle Regional Support Office

Roxanne Dempsey (202) 553-2155

#### **U.S. Department of Transportation Contacts**

##### **Federal Highway Administration**

Region 9  
Bob O'Loughlin (415) 744-3823

##### **Federal Transit Administration**

Region 9  
Walt Strakosch (415) 744-3133

#### **General Services Administration**

##### **Regional Fleet Managers**

Region 9  
Nathaniel Reed (415) 744-6067  
Greg Herren

#### **U.S. Environmental Protection Agency**

##### **Regional Pollution Prevention Coordinator**

Region 9  
Eileen Sheehan (415) 744-2190  
Bill Wilson (415) 744-2192